Addendum to Final Statement of Reasons

The following is to be added to the Final Statement of Reasons:

California School Accounting Manual

The California School Accounting Manual referenced in Section 11969.7 of the regulations is available and was available throughout the rulemaking file on the California Department of Education's website at www.cde.ca.gov/fiscal/sacs/csam.

Page 39 – Letter from L.M. Smith, at San Diego City Schools:

SDUSD commented that "The administration of these regulations will result in additional cost to the district. What is the expectation with regard to cost reimbursement in this area?"

Response: Any costs incurred by school districts to administer these regulations are a result of the statute, not the regulations (see the fiscal impact analysis). SDUSD is correct that administering the program may result in additional costs in some districts, although the extent of the costs in affected districts is open to question. In any event, these costs are not state-reimbursable under the mandate claims process because the statute is the result of an initiative measure rather than legislation action or an executive order.

Page 62-64 "The Regulations Provide for an Effective Date that Contradicts the Statute".

<u>Background</u>: Statute provides that 'Each school district's responsibilities under this section shall take effect three years from the effective date of the measure which added this subparagraph [i.e. November 8, 2003], or if the school district passes a school bond measure prior to that time on the first day of July next following such passage." The regulations specify that "In the absence of a successful local school bond measure, a charter school making a request for facilities under this article in compliance with the procedures and timelines established in this section shall be entitled to receive facilities beginning on November 8, 2003."

<u>Issue:</u> LAUSD states that the effective date in the regulations contradicts the statute. LAUSD also comments that these timelines are unrealistic and in effect, require that a school district start its process many months earlier than November 2003.

Response: The statute provides that a school district's responsibilities take effect on November 8, 2003. The statute does not define "responsibilities." The regulations do not contradict the statute. They interpret the substance of the responsibilities referred to in the statute as the provision of facilities, not the receipt and processing of requests. Accordingly, the regulations state that what takes effect on November 8, 2003 is the requirement that school districts provide facilities, not the requirement that school districts receive and process facilities requests. Under LAUSD's proposal, most charter schools would not receive facilities until the 2004-05 school year (charter schools in school districts with successful bond measures could receive facilities earlier).

As LAUSD indicates, the regulations will have the effect of requiring school districts to begin processing requests many months before November 2003 (as early as September 2002). Under these regulations, LAUSD has sufficient time to develop procedures for processing requests that will be submitted beginning in fall 2002.

Pages 81-92 of the Rulemaking File:

These comments do not belong in this rulemaking file. They were inadvertently placed into the wrong rulemaking file. The letter from the California School Boards Association (CSBA) contains comments pertaining to binding arbitration, compulsory mediation and judicial review which are not topics covered by the regulations here at issue. The California Department of Education (CDE) submitted a rulemaking file to OAL on July 15, 2002, with regards to Binding Arbitration and this same letter was submitted as part of the comments received during the 45-day public comment period.

Page 111-112 of the Rulemaking File:

These comments do not belong in this Rulemaking File. They were inadvertently placed into the wrong rulemaking file. The comments from Dr. Daniel S. King pertain to Section 11963 of Title 5, California Code of Regulations, Classroom- and Nonclassroom-Based Instruction in Charter Schools, a different set of regulations that are currently being compiled by the CDE. The letter does not contain provisions dealing with the regulations here at issue.

Approval of Regulations at Board Meeting – May 30, 2002

At the April 25, 2002 Board Meeting, the State Board of Education directed the proposed regulations on charter school facilities be amended and circulated for a 15-day public review. Following the 15-day public review, the permanent regulations on charter school facilities were approved by the State Board of Education at their Board Meeting on May 30, 2002.